



KALYANI

BHARAT FORGE LIMITED  
Regd. Office : Mundhwa, Pune 411 036.

BHARAT FORGE

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER  
ENDED 31ST DECEMBER, 2008

(Rs in lacs)

Sr. No.	Particulars	Quarter ended		Nine months ended		Year ended 31st March, 2008 (Audited)
		31st December 2008 (Unaudited)	31st December 2007 (Unaudited)	31st December 2008 (Unaudited)	31st December 2007 (Unaudited)	
1	a) Sales & Income from Operations					
	- Domestic	21,500	35,405	93,512	98,434	134,947
	- F.O.B. value of Exports & Corresponding Income	24,436	22,980	88,218	71,454	96,100
	Total Sales	45,936	58,385	181,730	169,888	231,047
	Less : Excise Duty	2,292	4,519	10,660	12,773	17,261
	Total Net Sales	43,644	53,866	171,070	157,115	213,786
	b) Other operating income	1,661	1,807	5,527	4,568	5,864
	Total Net Sales/Income from Operations	45,305	55,673	176,597	161,683	219,650
2	Total expenditure :					
	a) (Increase) / Decrease in stock in trade	(236)	(122)	(4,040)	(996)	(2,064)
	b) Consumption of raw materials	21,501	24,843	87,040	74,186	101,195
	c) Employee Cost	3,580	3,810	11,239	10,722	14,488
	d) Depreciation	4,190	3,534	11,852	10,335	13,894
	e) Manufacturing Expenses	8,020	9,837	29,257	28,131	37,816
	f) Others	3,582	3,406	12,875	11,789	15,999
	Total expenditure	40,637	45,308	148,223	134,167	181,328
3	Profit from Operations before other Income, Interest and Exceptional Item	4,668	10,365	28,374	27,516	38,322
4	Other Income	1,123	1,529	3,354	4,970	6,234
5	Profit from Operations before Interest and Exceptional Item	5,791	11,894	31,728	32,486	44,556
6	Interest	2,779	2,942	7,089	8,008	10,499
7	Profit after interest but before Exceptional item	3,012	8,952	24,639	24,478	34,057
8	Exceptional items :					
	-Profit on Sale of Investments	-	-	-	-	3,035
	-Exchange Gain / (Loss) ( See Note 5)	(2,821)	(233)	(18,506)	4,187	2,606
9	Profit from ordinary activities before Tax	191	8,719	6,133	28,665	39,698
10	Tax Expenses	(244)	2,901	1,917	9,591	12,339
11	Net Profit from ordinary activities after Tax	435	5,818	4,216	19,074	27,359
12	Extraordinary item ( net of tax expenses )	-	-	-	-	-
13	Net Profit for the period	435	5,818	4,216	19,074	27,359
14	Paid-up Equity Share Capital (Face Value Rs.2/-)	4,454	4,454	4,454	4,454	4,454
15	Reserves excluding revaluation reserves as per Balance sheet of the previous accounting year	-	-	-	-	142,874
16	a) Basic Earning per share of Rs 2/- before and after Extraordinary item	0.20	2.60	1.88	8.53	12.25
	b) Diluted Earning per share of Rs 2/- before and after Extraordinary item	0.20	2.55	1.88	8.35	12.25
17	Total Public Shareholding					
	- No of Shares	125,017,089	132,190,114	125,017,089	132,190,114	132,205,409
	- Percentage of shareholding	56.15%	59.37%	56.15%	59.37%	59.38%

Additional Information:-

Profit After Tax + Depreciation + Exchange Gain/(Loss)	7,446	9,585	34,574	25,222	38,647
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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER  
ENDED 31 ST DECEMBER, 2008

Notes:

- 1 Previous year/ period's figures are regrouped/ restated wherever necessary to make them comparable with those of the current period.
  - 2 The above results were reviewed by the Audit Committee, approved by the Board of Directors of the Company at its meeting held on January 22, 2009 and were subjected to a "Limited Review" by the Auditors.
  - 3(a) Company had issued 0.5% Foreign Currency Convertible Bonds ( FCCB) due 2010 in two Tranches ( Tranche 1 & 2), each having varied rights and obligations , aggregating USD 600 lacs each, convertible at an initial price of Rs.336.11 and Rs. 384.12 per share of Rs.2/- each respectively subject to adjustments specified in the offering circular dated 15th April 2005. In view of the current market price of the Company's equity shares being less than the Floor price for exercise, in respect of both the Tranches of the Bonds , the option embedded in the said Bonds to subscribe to Equity shares is, at present, antilutitive.
  - (b) Company had further issued Zero Coupon Foreign Currency Convertible Bonds ( FCCB) in two tranches (Viz. Tranche A and Tranche B) amounting to USD 400 lacs and USD 399 lacs due 2012 and 2013 respectively each having varied rights and obligations and optionally convertible at an initial price of Rs.604.03 and Rs.690.32 per share of Rs.2/- each respectively, subject to adjustment specified in the offering circular dated 24th April, 2006. Since the current market price of the Company's Equity shares being less than the Floor price in respect of both the Tranches of the Bonds, the option embedded in the said Bonds to subscribe to Equity Shares is, at present, antilutitive.
- Pending utilisation, part of the funds raised out of FCCB and GDR have been temporarily placed in Fixed Deposits and investments which generated an income aggregating Rs. 836 lacs during the quarter and Rs.2,760 lacs year to date. ( Previous period Rs. 1,442 lacs, and Rs.4,216 lacs respectively and Rs. 5,227 lacs for the year ended March 31,2008.)
- 4 During the quarter, no Investor complaint was received. There were no Investor complaints pending for redressal as at the commencement and end of the quarter.
  - 5 In order to recognize the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable transactions, in appropriate accounting periods, the company has from this year decided to apply the principles of recognition set out in the International Accounting standards as suggested by the Technical Directorate of the Institute of Chartered Accountants of India, as reflected in the Accounting Standard-30- Financial Instruments- Recognition and Measurement.
- As a result, the impact of unrealised losses (net) consequent to foreign currency fluctuation in respect of effective hedging instruments outstanding as at 31st December 2008, to hedge future exports, aggregating Rs. 2,981 lacs are carried as a Hedging Reserve to be ultimately settled when the underlying transaction arises, in the profit and loss account as against the practice of recognizing the same in the profit and loss account, on valuation at the end of each period. Hence previous period/ year figures are not strictly comparable.
- The Company has not entered into any exotic derivative hedging instruments.
- Other Foreign currency Financial Assets , liabilities, receivables etc. that do not qualify for hedge accounting have been revalued at the end of period rates and the resultant net loss of Rs.2,821 lacs for the quarter and Rs.18,506 lacs year to date has been debited to profit and loss account and treated as exceptional item in above results on account of the wide fluctuation in foreign exchange rates witnessed during the quarter/ Period. Out of this loss, Rs.2,568 lacs for the quarter and Rs.15,607 lacs year to date is in respect of FCCB's, which if not converted are repayable from April 2010 to April 2013.The balance loss of Rs. 253 lacs for the quarter and Rs.2,899 lacs for year to date is in respect of other loans etc..
- 6 BF NTPC Energy Systems Limited, a Proposed Joint Venture company, became a subsidiary of the Company, from 29th December 2008, on allotment of 51% Equity Shares to Bharat Forge Ltd. and balance to NTPC Ltd.
  - 7 Tax for the quarter includes write backs in view of revision in estimate of Deferred Tax Assets for the year.

For Bharat Forge Limited

Pune  
Dated : January 22, 2009

(B. N. KALYANI)  
CHAIRMAN & MANAGING DIRECTOR



BHARAT FORGE LIMITED  
Regd. Office : Mundhwa, Pune 411 036

BHARAT FORGE

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 31ST DECEMBER 2008

Sr. No.	Particulars	Rs.in Lacs				
		Quarter ended		Nine Months ended		Year ended
		31st Dec 2008	31st Dec 2007	31st Dec 2008	31st Dec 2007	31st March, 2008
1	Segment Revenue					
a	Steel Forging	45,201	55,250	176,192	161,063	218,789
b	Gen.Engg.,Trading etc.	264	173	758	500	740
	Total	45,465	55,423	176,950	161,563	219,529
	Less: Inter Segment Revenue	160	95	371	225	269
	Net Sales/Income from Operations	45,305	55,328	176,579	161,338	219,260
2	Segment Results Profit/(Loss) (before tax and interest from each segment)					
a	Steel Forging	7,004	12,192	36,100	34,874	46,612
b	Gen.Engg.,Trading etc.	21	3	69	67	151
	Total	7,025	12,195	36,169	34,941	46,763
	Less:					
1	Interest	2,779	2,942	7,089	8,008	10,499
2	Other un-allocable expenditure net of un-allocable income	1,234	301	4,441	2,455	2,207
	Profit before Tax & Exceptional item	3,012	8,952	24,639	24,478	34,057
	Exceptional items					
	-Profit on Sale of Investments	-	-	-	-	3,035
	-Exchange Gain / (Loss)	(2,821)	(233)	(18,506)	4,187	2,606
	Profit before Tax	191	8,719	6,133	28,665	39,698
3	Capital Employed (Segment assets - Segment Liabilities)					
a	Steel Forging	219,484	178,504	219,484	178,504	186,542
b	Gen.Engg.,Trading etc.	1,629	403	1,629	403	1,086
c	Unallocable Assets less Liabilities					
	-Investments in Foreign Operations	31,904	25,785	31,904	25,785	29,546
	-Unutilised Fund raised, temporarily deployed	36,680	80,680	36,680	80,680	51,494
	-others	31,211	31,707	31,211	31,707	19,233
	Total	320,908	317,079	320,908	317,079	287,901
4	Secondary information in respect of Geographical segment on the basis of location of customers					
a	Domestic	20,869	32,693	88,379	90,229	123,550
b	Exports	24,436	22,980	88,218	71,454	96,100

The Company has identified its business segments as its primary reporting format which comprises of Forgings and General Engineering. The main segment is Forgings. All products made by the Company essentially emanate from forgings and therefore it is reported as an independent business segment. General Engineering is a fabrication unit which constitute a miniscule portion of the Company's activities.

The Company on a stand alone basis operates through a single geographical segment where all assets are located in India. Secondary segment disclosures have been made accordingly.

For BHARAT FORGE LIMITED

Pune  
Dated : January 22, 2009

(B. N. KALYANI)  
CHAIRMAN & MANAGING DIRECTOR



KALYANI

**BHARAT FORGE LIMITED**  
Regd. Office : Mundhwa, Pune 411 036.

**INFORMATION IN ADDITION TO LISTING REQUIREMENTS**

**COMBINED UNAUDITED FINANCIAL INFORMATION OF BHARAT FORGE LTD AND ITS WHOLLY OWNED SUBSIDIARIES  
FOR THE QUARTER ENDED DECEMBER 31, 2008**

(Rs. in Lacs)

Sr. No.	Particulars	Quarter ended	
		31st December, 2008	31st December, 2007
1	Net Sales & Income from Operations	95,991	107,999
2	Other Income	1,432	1,917
3	Total Income	97,423	109,916
4	Total expenditure	86,250	90,239
5	Profit before Interest, Depreciation and Tax	11,173	19,677
6	Interest	3,245	3,245
7	Depreciation	6,894	5,452
8	Profit before Tax & Exceptional Item	1,034	10,980
9	Exceptional Items		
	a. Exchange (Loss) / gain	(4,002)	(233)
	b. Cost for Manpower redundancy	(669)	-
10	Profit before Tax	(3,637)	10,747
11	Provision for taxation	19	3,651
12	Net Profit after Tax & Exceptional Item	(3,656)	7,096

**Notes :**

- The above does not include financial information of FAW Bharat Forge (Changchun) Company Limited - Company's Joint Venture in China.
- The above additional information were noted by the Board of Directors of the Company at its meeting held on January 22, 2009